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The following Statement is submitted for the hearing record and references the Hearing on the Use of Technology to Improve Public Benefit Programs dated July 25, 2012.

Paul F. Soczynski, on behalf of Accuity Inc. of Skokie, IL, is submitting this Statement for the hearing record. Mr. Soczynski is the Senior Director, Government Services at Accuity.

Since 1911, Accuity has been the Official Registrar of the American Bankers Association U.S. Routing and Transit Codes, a role that requires Accuity to assign American Banking Association routing codes to every bank, credit union, and savings and loan and deposit taking institution in the United States. In our role as ABA registrar, Accuity is required to maintain up to date information on the 117,000+ financial institution locations across the United States. In a commercial capacity, Accuity provides the most comprehensive databases and software and professional services to assist financial institutions, corporations and government agencies in efficient and cost effective processing of financial transaction while helping institutions comply with the various know your customer, anti-money laundering and anti-terrorist financing regulations within the U.S. banking industry. As such, Accuity has earned a unique reputation as the trusted source for information about, and for, the banking industry. In addition to providing data solutions to the Federal Reserve, the FDIC, the U.S. Treasury and the Small Business Administration, Accuity currently manages a technology solution to aid the Social Security Administration's Supplemental Security Income (SSI) benefit program.

Accuity strongly supports the use of technology to improve public benefit programs and develop greater program integrity. We clearly understand the challenges associated with determining eligibility based on the value of applicants' financial assets held at financial institutions. Our experience with SSA has led to projections of saving \$900 million annually with a systems generated savings of \$20 dollars for every \$1 dollar of expense.<sup>1</sup>

In September 2003, Accuity designed, developed and implemented a pilot program to automate the existing asset verification eligibility component of the Social Security Administration's (SSA), SSI benefits application and re-determination approval process.

Prior to the Accuity solution, the SSA's asset verification process deployed paper-based forms filled in with information provided by the SSI applicant. The SSA would mail an asset verification request form (SSA Form e4641) to the financial institution indicated by the applicant. Under this process, response time to the e4641 request form averaged between 30-60 days while the financial institution response rate varied from 10% to a rate less than 50 percent. When the financial institution response time exceeded 90 days, which was a frequent occurrence, it was SSA policy to approve payments of SSI benefits to the applicant without the requisite financial asset verification (with a re-determination to be performed after one year).

In automating the SSI Asset Verification Process, the stated goals of the SSA were:

1. To increase the efficiency of the account verification request and response process
2. To maximize financial institution participation and response rates
3. To minimize the paperwork and paper flow through automation
4. To improve the applicant experience
5. To provide analytic tools to measure efficiency, effectiveness, cost, and cost savings of the financial asset verification process
6. To accurately verify financial assets and improve the ability to detect undisclosed assets

The Accuity Asset Verification System includes three main components:

1. A secure automated gateway between SSA field offices and the U.S. financial institution community for electronic processing of asset verification requests and responses between the SSA and the financial institution community
2. A comprehensive database of registered financial institutions participating in the asset verification program
3. A web-based and direct transmission web-services system with sophisticated message routing logic designed to speed the response mechanism and optimize the detection of undisclosed financial assets

Accuity designed, developed and implemented in February 2004, as a pilot proof of concept in the states of New York and New Jersey, an automated, secure, web-based application to facilitate the e4641 asset verification request and response process. The system supported an automated paperless transmission of all asset verification requests from an SSA field office to the respective financial institution and the corresponding response from the financial institution back to the SSA field office. The financial institution received a request via a user friendly and secure online interface that notified the financial institution immediately when a request had been submitted from the SSA. The information provided is an electronic emulation to the original paper form used by the SSA. After retrieving the account information related to the SSI applicant, the financial institution electronically submitted all related account information which was then instantaneously delivered to the SSA through Accuity's secure gateway.

System security for the Asset Verification Solution was designed and implemented to comply with SSA security requirements as defined by the United States Commerce Department's National Institute of Standards and Technology (NIST). Leading up to the national rollout of the solution which commenced in July 2010, two independent system security audits were conducted by leading third-party audit firms under the supervision of the SSA. Additionally, third party penetration tests and multiple financial institution audits were successfully completed. All such audits received positive opinions.

Accuity's Asset Verification System has processed millions of asset verification requests to and from the U.S. financial institution's community and the SSA. The system includes robust analytics and metrics reporting capabilities that allows SSA to analyze volumes, trends, costs, and statistics on both a macro and micro level.

Following, a successful pilot to all SSA field offices in New York, New Jersey and California, a national rollout of the system commenced in July 2010 and was completed in June 2011. Leveraging our long-standing position as the Official Registrar of ABA U.S. Routing and Transit Numbers, and our unique trusted relationships with all U.S. financial institutions, Accuity has successfully recruited and registered 95% of all financial institutions to participate in the program nationally.

Accuity worked closely with the larger financial institutions to consolidate multiple-branch processing of verification requests to a single centralized processing site, thus further streamlining the end-to-end process. Each e4641 request for asset verification is electronically

sent to the correct assigned processing location specific for each financial institution. Instead of mailing a paper request form to a general financial institution address indicated by the SSI applicant, the request is now sent and received instantaneously through Accuity's Asset Verification System, reaching the correct processing location at the correct financial institution location. In all cases, Accuity's comprehensive financial institutions database and message routing logic drives the routing of all asset verification requests to the appropriate financial institution location. The account balance search for an institution is inclusive of all owned branch locations across the country, thus ensuring asset verification canvassing goes beyond local and state borders to include regional and national searches regardless of where application process takes place and where the applicant resides.

In addition to a standard request being sent to the financial institution accounts that are designated by the SSI applicant, Accuity designed and implemented geographic-centric logic that allows the SSA to drive alternate request routing to institutions not disclosed by the applicant. The system searches Accuity's comprehensive database and routes alternate multiple requests to financial institutions based on geographic logic and distance parameters from the designated applicant and institution. This process ensures that additional financial institutions are canvassed for possible undetected financial assets. This added step creates stronger program integrity by optimizing the detection of undisclosed applicant assets instead of relying solely on the bank account information provided by the applicant.

Since implementation of the national program commenced in July 2010 (and completed in June 2011), Accuity and SSA worked collaboratively to expand the asset verification program to all 50 states and every field office in the United States. Our shared success includes the following statistics:

1. Overall financial institution response rate of 96% versus previously experienced 10% to 50% response rate
2. Average financial institution response time of 7 days versus 30-60 days, with more than 25% of responses received within 24 hours
3. Participation of 95% of financial institutions in the country enabling timely and accurate provision of financial information to assist SSA staff to make eligibility determination
4. Complete automation of the end-to-end process significantly reducing time and effort required from SSA personnel to process verification requests and responses
5. A 100% reduction in paper flow to and from the SSA
6. An average of one of six asset verification requests disclosing an undetected account, thus yielding potential annual savings through reduction of improper benefit payments. The detection of improper benefit payments is projected to yield improper payment savings of \$900 million dollars annually with a systems generated savings of \$20 dollars for every \$1 dollar of expense<sup>i</sup>

Accuity has coordinated and implemented direct transmission automation with the largest financial institutions in the country. This direct end-to-end technology reduces the need for human intervention resulting in optimized efficiency, reduced costs and improved timeliness of

determinations. We continue to drive this response time lower with each successive month of national operations.

SSA and Accuity have continued to make successful progress on the integration of Accuity's asset verification application into SSA's eligibility system. This cooperation has led to increased efficiencies for SSA customer representatives and program beneficiaries. Accuity has been pleased to partner with SSA on this on-going integration, proving the value of technology in serving beneficiaries while preventing fraud and abuse.

Based on the success of the asset verification solution, Congress passed Section 1940 of the Social Security Act. This amendment requires states to implement a comparable electronic solution for the aged, blind and disabled Medicaid population. While the legislation included a requirement for all states to have implemented a program by 2013, the states have been slow to implement such automated solutions. Accuity is hopeful that after a successful implementation of the Asset Verification System in Florida later this year, other states will move forward to reap the benefits realized by SSA both in increased speed of approval for qualified applicants and in improved program integrity. This proven technology can save the states and federal treasuries hundreds of millions of dollars in improperly paid benefits each year.

Accuity's Asset Verification System can be implemented to assist other public benefit programs by providing the secure technology to connect the government sector to the financial institution community. The Accuity system can allow federal and state agencies to simply and effectively provide program oversight while improving the efficiencies for applicant and/or recipient eligibility determination.

We appreciate this opportunity to inform the Subcommittee about our work developing and implementing new technologies to provide greater efficiency to taxpayer funded programs. I would be pleased to provide any additional information regarding the Accuity Asset Verification System upon your request and I look forward to answering any questions you may have for me today.

Paul F. Soczynski  
Accuity, Inc.  
Senior Director, Government Services

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<sup>i</sup> Reference SSA written testimony to United States House of Representatives; Committee on Appropriations; Subcommittee on Labor, Health and Human Services, Education and Related Agencies; Dated March 11, 2011:

*"Where possible, we are using technology to help us prevent and detect improper payments. For example, we know that unreported financial accounts and wages are the major causes of improper payments in the SSI program. Therefore, we have developed and are implementing an electronic process that allows us to quickly and easily identify assets of SSI applicants and recipients that exceed statutory limits. This process is called Access to Financial Institutions (AFI), and we use it in the SSI program to electronically identify financial accounts. We currently use AFI in 25 States; these States represent 80 percent of all SSI recipients. We intend to implement AFI in all remaining States by the end of the year. By 2013, we project approximately \$900 million in lifetime program savings for each year we use the AFI, which will potentially yield a \$20 return in detected and prevented overpayments for every dollar invested."*